

## **JAMAICAN CANADIAN ASSOCIATION**

### **PROJECT DETAILS**

- Renovations are to be completed over a period of 6 months ending in June, 1999 at a cost of \$846,000 before a (4.7%) contingency of \$40,00. Project cost has been capped at \$886,000 by the Board of Directors and as charge orders are not expected to be significant, overruns if any, should be nominal and within the contingency.
- The project will be managed by a construction manager with over 20 years experience, and, given his expertise and experience, the JCA does not see the need for a project monitor; however, we would be receptive to the review of the project budget by a project monitor or quality surveyor on the Bank's behalf. The project architect will provide all certificates required by the Bank to release funds during construction.
- Major work accounting for 100 % or \$846,000 of the budget, will be completed under fixed price contracts and while not taken into account in the budget, cost savings are expected from pro bono work to be completed by skilled JCA members.
- The JCA will have cash equity of \$640,000 in the project on completion representing 39% of cost and 44% of appraised value. This equity will consist of cash of \$415,000 provided towards the purchase price in cash on closing and subsequent loan repayments and \$225,000 input into the renovations.
- Cash of \$225,000 in hand will be used to finance the first \$225,000 of cost. Pledges of \$78,000 have been received to date and we anticipate raising another \$50,000 - \$70,000 prior to completion of the project. In addition, as a result of exemptions to realty and education taxes recently approved by The City and Provincial governments, tax rebates should provide \$25,000 - \$30,000.
- Costs relating to furnishings will be met from fundraising receipts in excess of funds directed to the renovations.
- The term loan will be repaid from net cashflow providing debt service coverage of 2.16x. Three year cashflow projections attached.
- The interest rates proposed recognize that the JCA is a charitable organization. We are also requesting that you waive the interest penalty in refinancing the existing loan.
- The JCA's capital budget strategy established a \$3 million fundraising target which will be pursued over the next 3 years. These funds will be used to repay the term loan upon maturity and fund the JCA's programs.